

VZCZCXRO6044
PP RUEHAG RUEHDF RUEHIK RUEHLZ
DE RUEHTC #1894 2411255
ZNR UUUUU ZZH
P 291255Z AUG 06
FM AMEMBASSY THE HAGUE
TO RUEHC/SECSTATE WASHDC PRIORITY 6662
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 1952
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY 0370

UNCLAS THE HAGUE 001894

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STATE FOR EB/TPP/BTA (SAEGER), EB/TPP/IPE (FELSING)
STATE ALSO FOR EUR/UBI (REITER), EAP/CM (CRANE)

E.O. 12958: N/A
TAGS: [ECON](#) [ETRD](#) [AORC](#) [KIPR](#) [EURM](#) [WTRO](#) [USTR](#) [CH](#) [NL](#)
SUBJECT: CHINA IPR WTO DISPUTE: DUTCH PREFER DIALOGUE AND
POLITICAL PRESSURE

REF: STATE 126703

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ACCORDINGLY.

11. (U) On August 18, Econoff shared reftel points concerning a possible USG request for WTO dispute settlement consultations regarding aspects of China's protection of intellectual property rights (IPR) with Dutch Ministry of Economic Affairs (MEA), Innovation Department officials Brigitte Spiegelers, Senior Policy Advisor on Intellectual Property, and Angela van der Meer, Advisor. Econoff also shared reftel points August 23 with the Dutch Ministry of Foreign Affairs (MFA) Policy Officers Dorine Wytema, responsible for EU External Affairs and WTO issues, and Robert Dresen, responsible for China Affairs in the MFA's East Asia Division.

12. (SBU) Spiegelers said the Netherlands intends to follow the EU approach of using dialogue and "soft power," as opposed to a formal WTO complaint process. He said Dutch Minister for Foreign Trade Karien Van Gennip would lead a trade mission to China in October and hold an IPR seminar aimed at improving IPR enforcement. While van Gennip might use that forum to "say something at an individual level," Spiegelers said the "focus is on political pressure." The EU "is telling them, and they are paying attention," Spiegelers noted. Van der Meer added that "China is an important partner," and the Dutch had concerns about China viewing a formal complaint as "China bashing."

13. (SBU) MFA officials repeated the Dutch preference for the EU approach and a focus on discussions. Dresen argued that China's formulation of a national IPR strategy was a "significant step forward." Wytema added that the September 9 EU-China summit in Helsinki would include an IPR dialogue where these issues will be addressed.

14. (SBU) Econoff stressed the US focus on value and volume thresholds, the importance of cooperation and standing together, and the impact of piracy and counterfeiting on US and EU economies. Van der Meer responded that IPR violations are "very serious," especially in the area of medical safety. Spiegelers agreed that Chinese infringement of IPR was a "serious political issue," and that she would raise our request with Minister van Gennip. The Dutch officials agreed to share reftel points with their superiors and inform post of any reactions and actions taken.

BLAKEMAN